

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1792

By: Weaver

AS INTRODUCED

An Act relating to credit unions; amending 6 O.S.

1991, Section 2010, as amended by Section 9, Chapter 90, O.S.L. 1992 (6 O.S. Supp. 1996, Section 2010), which relates to board of directors and credit committee; permitting a credit manager in lieu of a credit committee; allowing board of directors to delegate certain powers; permitting certain credit manager and providing certain duties; deleting certain requirement for review of disapproved loans; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 1991, Section 2010, as amended by Section 9, Chapter 90, O.S.L. 1992 (6 O.S. Supp. 1996, Section 2010), is amended to read as follows:

Section 2010. ~~(A)~~ A. The business affairs of a credit union shall be managed by a board of not less than seven (7) members, elected by the members of the credit union, from their number, at their annual meeting, the organizational meeting being the first annual meeting, and to hold office for such terms as the bylaws may provide. The bylaws of a credit union shall not prevent or restrict a member from serving as a director unless such member has been or

is later convicted of a crime involving dishonesty or breach of trust. A credit committee of not less than three (3) members shall be either elected by the members or appointed by the board of directors, from the membership of the credit union, at the annual meeting of the members or at the first meeting of the board of directors after the annual meeting of the members, as the bylaws may provide. Members of the credit committee shall hold office for such terms as specified in the bylaws. In lieu of a credit committee, a credit manager may be appointed by the board of directors if the bylaws so provide. The supervisory committee shall be appointed by the board of directors unless otherwise provided in the bylaws. One director may be appointed or elected to the supervisory committee, but not the treasurer. A record of names and addresses of the board of directors and the respective committees and officers shall be filed with the Bank Commissioner within ten (10) days after their election. No member of the board of directors shall, as such, be compensated, but the officers elected by the board of directors and the members of the credit and supervisory committees may receive such compensation for services performed as the board shall, by resolution, authorize.

~~(B)~~ B. At their first meeting after the annual meeting of the members, the directors shall elect from their number an executive officer, who may be designated as chairman of the board or president, a vice-chairman of the board or a vice-president, a secretary and a treasurer, who shall be the executive officers of the corporation. The secretary and the treasurer may be the same person. The duties of the officers shall be determined by the bylaws. The board of directors may employ an officer in charge of operations whose title shall be either president and/or general manager or, in lieu thereof, the board of directors may designate the treasurer or an assistant treasurer to act as general manager and be in active charge of the affairs of the credit union. Each

active officer and employee of a credit union shall, before ~~he~~  
~~enters~~ entering upon ~~his~~ their duties, make and give a bond to the  
~~said~~ credit union executed by a surety company in an amount fixed by  
the State Credit Union Board for the protection of ~~said~~ the credit  
union against the fraud or dishonesty of each active officer or  
employee of ~~said~~ the credit union. When ~~said~~ the bond has been  
executed it shall be filed with the Bank Commissioner.

~~(C)~~ C. The board of directors shall meet at least once a month,  
unless permitted by the Bank Commissioner to meet less often, and  
shall have the general direction and control of the affairs of the  
corporation. The minutes of all such meetings shall be kept. Among  
other things they shall act upon applications for membership. The  
board of directors may appoint a membership officer and delegate to  
~~him~~ the officer the power to approve or disapprove all membership  
applications; ~~however, the.~~ The membership officer may not be the  
treasurer or assistant treasurer. Once appointed, the membership  
officer shall submit to the board of directors a list of approved or  
pending applications for membership at each regular meeting of the  
board of directors. The board shall also declare dividends and  
determine rates of interest on deposits; fill vacancies in the board  
and in the credit committee until successors elected at the next  
annual meeting have qualified; authorize investment of credit union  
funds other than loans to members; determine from time to time the  
maximum number of shares and deposits that may be held by any member  
and the maximum number of shares and deposits that will be accepted  
from a member in any calendar month not inconsistent with the  
bylaws; subject to limitations of this act, determine the interest  
rates on loans and the maximum amount that may be loaned with and  
without security to any member; and determine the rate of interest  
refund, if any, to be made to members. A majority of the board may,  
however, agree to exclude loans made at rates of interest lower than  
the credit union's basic rate and may also exclude loans where

payments are in arrears from participation in such interest rebates ~~at~~  
all. All other loans shall participate at the same rate of rebate.  
If permitted in the bylaws, the board of directors may, by  
resolution, delegate any powers of the board to an executive  
committee or to one or more officers of the credit union. However,  
the delegation of any power by the board of directors shall not  
relieve the board of any duty or obligation for the proper exercise  
of the delegated power.

~~(D) The D.~~ A credit committee, or if the bylaws so provide, a  
credit manager, shall have the general supervision of all loans to  
members. It shall be the duty of the credit committee, or if  
applicable, the credit manager, to provide for the review of all  
applications for loans, to ascertain whether or not such loan would  
benefit the applicant, and to determine whether or not the security  
offered, ~~in its~~ the judgment of the credit committee or the credit  
manager, is sufficient and the terms proper. The If the loans of  
the credit union are supervised by a credit committee, the credit  
committee shall meet as often as may be required after due notice  
has been given to each member thereof, but not less than once a  
month, and shall keep a record of all meetings, and. The credit  
committee or the credit manager shall make a report to the members  
at the annual meeting. To facilitate the work of the credit  
committee or the credit manager, it the credit committee or the  
credit manager, whichever is applicable, may appoint one or more  
loan officers and such assistants as may be necessary. Loan  
officers shall act under the direction of the credit committee or  
the credit manager and may approve or disapprove loans without a  
~~special meeting of the committee~~ but only within written rules and  
regulations established by ~~action of~~ the credit committee or the  
credit manager. A record of loans approved by each loan officer  
shall be made available upon request to the credit committee ~~upon~~  
~~request by it~~ or the credit manager. ~~An application for a loan~~

~~disapproved by a loan officer shall be reviewed by the credit committee.~~

~~(E)~~ E. The supervisory committee shall make a semiannual examination of the affairs of the credit union, including an audit of its books; and shall make an annual audit and a report to be submitted at the annual meeting of the corporation. However, if the supervisory committee, with the approval of the board of directors, employs an auditor approved by the State Credit Union Board, a licensed public accountant or a certified public accountant to perform an annual audit of the affairs and books of the credit union, such annual audit by ~~said~~ the outside auditor shall constitute full compliance with this section. The supervisory committee shall make a report of any audit it causes to be conducted of the credit union at the annual meeting of the credit union. By a unanimous vote, the supervisory committee may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, which ~~said~~ meeting, however, shall be held within seven (7) days of ~~said~~ the suspension and at which meeting ~~said~~ the suspension shall be acted upon by the members; and, by a majority vote, may call a special meeting of the shareholders to consider any violation of this law, the charter, or of the bylaws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The board of directors shall fill vacancies on the supervisory committee. The supervisory committee shall in such manner as it deems advisable cause the accounts of the members to be verified with the records of the treasurer from time to time and not less frequently than once every two (2) years.

SECTION 2. This act shall become effective November 1, 1997.

46-1-5251

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